

SPECIAL



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REPORT

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CITY SLOW OFF THE BLOCK IN REDUCING WORK FORCE

Since the start of the fiscal year in July, the City's work force in the city, hospital, county and school departments has decreased by 168 or 0.9%. The City's fiscal 1992 operating budget, excluding schools, planned a staff reduction of 767 positions. After the first quarter, only 119 positions have been eliminated, 15.5% of that total. In the first six months of calendar 1992, the City's payroll, in all departments, decreased by 454, bringing the total employee reduction from January, 1991 to October, 1991 to 622 or 3.2%. The decrease in hospital employees accounted for 61.1% of the total reduction.

Boston is currently facing a revenue gap of \$15.7 million due to its local aid cut being higher than budgeted. In addition, the School Department budget is \$19.1 million over its authorized appropriation. Since salaries represent 61% of total departmental spending in fiscal 1992, serious efforts to decrease spending will require reductions in the City's work force far beyond the 767 in the Mayor's budget.

With a quarter of this fiscal year gone, the Flynn Administration has not pushed to reduce departmental payrolls. Instead, all departments, excluding schools, have been required to establish 1½% reserves in their personal services account, which amounts to about \$6.2 million. Rather than implement deep cuts now, the Flynn Administration is pursuing two separate actions: 1) a home rule petition to allow Boston to reduce its pension payments by over \$15.0 million this year by following an actuarially determined 40 year full funding schedule instead of a higher pay-as-you-go schedule for the next four years as the present law requires and 2) support of a legislative override of the Governor's veto of a measure that would exempt 2½% of the overlay reserve for abatements from the limits of the Proposition 2½ cap, which would allow Boston to raise its levy by an additional \$14.5 million this year. Further reductions in the City's work force will be needed this year and next irrespective of what happens with these two actions.

CITY DEPARTMENTS

Since the beginning of fiscal 1992, the city departmental work force decreased by 119 positions. This comes after

CITY OF BOSTON PERSONNEL SUMMARY (FTE'S)

INTERNAL FUNDS	1/1/91	7/1/91	10/1/91	CHANGE	
				1/91-10/91	7/91-10/91
CITY DEPARTMENTS	8,264	8,130	8,011	(253)	(119)
HEALTH & HOSPITALS	3,354	3,054	2,974	(380)	(80)
SUFFOLK COUNTY	648	714	795	147	81
SUB-TOTAL	12,266	11,898	11,779	(487)	(119)
SCHOOL DEPARTMENT	7,007	6,921	6,872	(135)	(49)
TOTAL INTERNAL	19,273	18,819	18,651	(622)	(168)
EXTERNAL FUNDS					
CITY/COUNTY	575	582	574	(1)	(8)
SCHOOLS	898	879	901	3	22
TOTAL EXTERNAL	1,473	1,461	1,475	2	14
GRAND TOTAL	20,746	20,280	20,126	(620)	(154)

a decrease of 134 positions during the first six months of the calendar year, for a total reduction in force to date of 253 positions. So far in fiscal 1992, the Police Department employee levels declined by 39 and Fire by 24, primarily due to attrition and not bringing new cadet classes on line. During the same time, Inspectional services decreased by 20, Public Facilities by 16 and the Cemetery division by 14.

From January, 1991 to October, 1991, most city departments decreased their work force with the largest reductions occurring in Inspectional Services (-38), Public Facilities (-33), Police (-28) and the Library (-26). Despite the decrease in revenues, eight departments actually increased their personnel levels from January, 1991 to October, 1991. Community Schools added 58 employees, while the Fire Department added eight employees and Data Processing and the Law Department added four employees each.

TOP 10 DEPARTMENTS BY EMPLOYEES			
CITY DEPARTMENTS	1/1/91	10/1/91	CHANGE
POLICE DEPARTMENT	2,643	2,616	(27)
FIRE DEPARTMENT	1,788	1,796	8
PUBLIC WORKS	563	541	(22)
LIBRARY DEPARTMENT	565	539	(26)
TRAFFIC-TRAFFIC DIVISION	391	384	(7)
COMMUNITY SCHOOLS	244	301	57
PUBLIC FACILITIES	312	279	(33)
PARKS & RECREATION	228	224	(4)
INSPECTIONAL SERVICES	247	209	(38)
ASSESSING	132	109	(23)

HEALTH & HOSPITALS

The Hospital Department continued to decrease employee levels during the first quarter of fiscal 1992 by cutting 80 positions. This comes after a reduction of 300 positions during the first six months of the year, for a total reduction of 380 positions from January, 1991 to October, 1991. The primary cause of this reduction is the closing of Long Island Hospital. The Hospital Department is expected to continue to decrease its work force as it moves to reach the optimal staffing levels for the new hospital.

BOSTON PUBLIC SCHOOLS (BPS)

During the first three months of fiscal 1992, the BPS reduced employee levels by 49 positions, bringing the total work force to 6,872 in October. Over the first six months of the calendar year, the school work force was reduced by 86, for a total reduction since January, 1991 of 135. School employee levels are traditionally at their low point in June and September. Therefore, it is more appropriate to review school numbers as the year progresses.

SUFFOLK COUNTY

The work force continues to grow in the Suffolk County departments as 81 new employees have been added to the payroll since the beginning of fiscal 1992. During the first six months of the calendar year, county departments increased personnel levels by 66, for a total increase to date of 147 employees. Since the beginning of fiscal 1992, Penal increased by 84 positions while the Jail decreased employees by four. From January, 1991 to October, 1991, the Penal Department added 106 employees to the payroll and the Jail added 45. A combination of the new county jail, the new house of correction facility and an increasing inmate population have lead to the rise in employee levels this year and for the past two years.

CONCLUSION

The City should not delay in achieving the work force reductions planned in the current year budget. Additional employee reductions will be required due to the existing budget gap and the likelihood that the overlay exemption will not be available this year. Boston's operational budget should be reduced to a level that can be supported by recurring revenues over the next few years.

